



Electricity Authority
via email
wholesaleconsultation@ea.govt.nz

20 November 2025

Dear Authority

Consultation paper – Requiring the use of half-hourly data for reconciliation

Thank you for the opportunity to submit on the Authority's Requiring the use of half-hourly data for reconciliation consultation paper ("Consultation"). Mercury's submission is attached at the Appendix to this cover letter.

Yours sincerely

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Classification: General



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APPENDIX – MERCURY SUBMISSION

Questions	Comments
Q1. Do you agree the issue identified by the Authority is worthy of attention?	Yes.
Q.2 Do you agree with the objective of the Code amendment proposal? If not, why not?	Yes.
Q3. Do you agree with the Authority's 'minimum change' implementation approach?	We agree with a “minimum change approach” but we do not agree the Authority's proposal is a “minimum change” approach. In our view, “minimum change” to meet the objectives would be to simply require submission as per current half hour (HHR) process and formats which the vast majority of traders already have built (i.e. these are largely sunk cost for the industry). Faster and lower risk implementation which will capture all the main accuracy benefits as desired. We have elaborated on this in our response to question 4 below.
Q4. Do you agree the Authority has correctly identified the benefits and costs of the proposed amendment?	<p>No, we do not agree the Authority has correctly identified the benefits and costs of the proposal for the following reasons:</p> <ol style="list-style-type: none"> 1. We think the proposal over plays the link between HHR metered quantities in the wholesale reconciliation process and the value to be derived from demand side flexibility. Whilst the proposal would refine outcomes, the proposed mechanism does not add significant additional benefits. The wholesale costs are already applied at HHR level at each Network Service Provider (NSP) and Traders receive those energy cost signals in their Market charges under the existing model. 2. Purported Trader cost saving of the Reconciliation Manager (RM) handling aggregation is incorrect because the proposal still envisages all traders gathering the interval data across the month and repackaging it in new formats to the RM at the end of the month. This would require investment by all Traders plus large investment, ongoing cost and change risk with RM. This is a sort of halfway house that puts costs on all the Traders and the RM. The Traders still need to receive all the same data, store data, deal with gaps, validations, estimates, exceptions, and quality control as they do now. The only change is the way that the data is ultimately packaged to the RM. This last step is probably the most automated and low-cost part of the end-to-end process. 3. From our data handling experience we believe the potential cost and ongoing management of needing to transfer large data files to a set



	<p>strict deadline on an ongoing basis is under played. For example, currently if an aggregated submission file has an issue, we can easily interrogate it in a text editor, upload it manually and quickly to RM portal etc. A disaggregated file with issues will require specialist tools to interrogate and the data transfer and validation times will likely be significant (e.g. a Mercury VECT file could have circa 250million data points in it).</p> <p>We also make the following observations for the Authority's consideration:</p> <ul style="list-style-type: none"> • Reducing the number of submissions is worthy of consideration. However the vast majority of accuracy is achieved by R3 currently. Our analysis suggests circa 98% of the change from Ri to R14 has occurred by R3 so removing R3 and extending to R5 could be detrimental to cashflow rather than a benefit. • We agree the R14 concept is probably outdated (too extended) for the Advanced Metering Infrastructure (AMI) /HHR world (our average submission volume change of Mass Market AMI/HHR R7 to R14 is <0.1%). It is sensible to align HHR and non-half hour (NHH) so the impact on NHH does need to be considered in parallel, but with the perspective that NHH will be a minority of submission volumes, declining over time. We would suggest Ri, R1, R3, R13. <p>An alternative data driven decision approach would be to first implement the HHR requirement, which may in itself change current submission accuracy patterns. The Authority could observe the changes in submission accuracy staying with the current submission timings and then use those actual results to make an informed decision on how to structure submissions going forward.</p> <p>Lowest cost (by a long way) to meet the objective is to require submission as per current HHR process and formats which the vast majority of traders already have built and scalable (i.e. largely sunk cost for the industry). This would result in faster and lower risk implementation of the HHR requirement and could even be zero cost for many Traders and zero cost for the RM. In this light even if the Authority can make the cost benefits of their preferred proposal approach stack up, we would still see the cost side of that equation as wasted money.</p> <p>If the EA really want to have a single entity holding all the metering data with one aim being to eliminate the time / cost of the Traders then the RM should build to receive the interval data direct from Metering Equipment Providers (MEPs) daily / monthly and build the associated processes of filling gaps, validating data, receiving wash ups etc. Therefore becoming the single source of truth database for consumption data and distributing this validated data to Traders rather than Traders receiving from MEPs. We are not implying we support this different structure, but we highlight without this kind of significant step we do not believe that there are meaningful cost savings for Traders in the proposal. If this is the intent, this kind of direction should be fully consulted in the broader context of a defined strategy. Otherwise, the current proposal and the associated RM development costs seem to be a very costly step on the way to an unknown future design or an unnecessary cost if that point is a dead end.</p>
<p>Q5. Do you agree the benefits of the proposed amendment outweigh its costs?</p>	<p>No, we do not agree the benefits of the proposed amendment outweigh its costs. We do however think that the same benefits can be achieved in a lower cost way and believe the Authority should reconsider its alternative proposal to require the submission of aggregated half-hourly quantities.</p>



	<p>The concept of a single participant i.e. the RM handling all reconciliation and register level interval data is a high-cost step that is unnecessary for the direct objectives of improving accuracy. This is really a step on the way to a broader long term strategy direction and that should be fully debated separately rather than part implemented by this proposal.</p>
<p>Q6. Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option by reference to the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.</p>	<p>No – We believe the alternative option of 'Require the submission of aggregated half-hourly quantities' is preferable.</p> <p>We disagree with the Authority's assessment that there is significant industry cost with this option. This option is actually low cost as many traders already receive interval data and have the HHR systems and processes built. For Mercury, for instance the cost of this option would be \$0. The example given of submitting 2,880 aggregated quantities is a tiny number compared to multiplying the data up by every register on every meter on every ICP. For Mercury, the disaggregated comparison number will be 700million to 1 billion quantities per submission.</p> <p>The alternative option negates the need for the RM to spend anything and this also significantly de-risks the proposal as the RM change proposed in the Authority's preferred option is significant.</p> <p>The Authority has not clearly shown what the benefits lift is of their preferred option vs this alternative option. It appears to us the majority of the key objectives and benefits are met by the submission of aggregated HHR data.</p> <p>The Consultation states that a disadvantage of this alternative option is that it "would not remove the siloing of metering information by reconciliation participants." We do not understand what this means. The "problem" is not explained. Information is on the Registry and MEPs provide data to any participant that is genuinely entitled to it (and considering privacy laws also). The proposed solution simply has the RM as a duplicate parallel "silo" to all the Traders as there is no indication that the RM will do anything other than hold the data.</p> <p>Further, Traders will only achieve lower operating costs if the RM takes on full responsibility of receiving MEP data daily, filling gaps, estimates, wash ups and then distribute that data to traders. Otherwise all that has happened in the Authority's preferred option is the Traders do all the processes they do now but simply package the data in a different format to that which is done today. We fail to see a cost saving in that. The actual significant operating costs are in data quality, validation, and exceptions. One could argue the disaggregated register level data will be more unwieldly and higher cost to manage for transfers etc compared to the current aggregated data level.</p>
<p>Q7. Do you agree the proposed amendment complies with sections 17(1) and 32(1) of the Electricity Industry Act 2010?</p>	<p>No. The proposed solution has unnecessary costs to achieve the benefits and is therefore not in the interests of consumers who will ultimately bear the unnecessary costs.</p> <p>As discussed in our response to question 4 above, we do not believe the scale of the purported the link to increased demand side incentives. The proposal would bring refinement, but most of that incentive is already in place today. The submission of aggregated HHR data would bring about the same level of refinement.</p>
<p>Q8. Do you have any comments on the drafting of the proposed Code amendments?</p>	<p>In addition to the current proposal, we recommend the Authority consider changing current rules that require various Registry events to have a validated register read e.g. Switch in / out. The rules for HHR submitted</p>



	<p>ICPs with communicating AMI metering could be updated to operate like a TOU switch, for instance.</p> <p>The current proposal alongside the TOU Billing requirements has us and many other traders enhancing / converting to processes that focus on handling and validating interval data for billing and reconciliation, and we support this. However, when event rules still require a validated register read for these HHR sites, this means we are having to maintain the register read data handling and validation process in parallel with the interval data processes (this includes audit of the register read processes, for instance). We are finding the complexity and associated costs of maintaining the two approaches in parallel is significant. This proposal would seem to make the register read event rules largely redundant for HHR sites and keeping them is adding unnecessary cost to Traders and ultimately consumers. We therefore think it would be timely for the Authority to consider a Code change to remove the obligation on Traders to provide register reads for certain events for communicating interval capable AMI / HHR sites.</p>
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